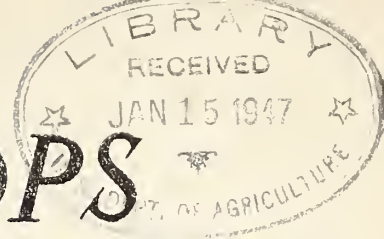


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FOREIGN CROPS and MARKETS

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IN THIS ISSUE

	Page
LATE CABLES	408
GRAINS -	
United States Begins New Season with Reduced Wheat Exports	409
Quota Established for Imports of Canadian Wheat into the United States Filled	409
Spanish Grain Crop Continues Below Level of Pre-Civil-War Average	410
Reduced Bread-Grain Crops in Sweden Result in Increased Farm Aid ..	411
United States Rice Exports Attain Near-Record Level	413
VEGETABLE OILS AND OILSEEDS -	
Bahia Castor-Bean Exports Above Last Year	414
COTTON - OTHER FIBERS -	
Shortage of Raw Cotton in Portugal Handicaps Mill Operations	415
Cotton Mill Activity in Canada Slightly Lower in August	416
India Cuts Jute Acreage in Half	418
Brazilian Fibers Advocated as Substitute for Jute	419
Production of Linen Flax Started in New Zealand	423
TOBACCO -	
Canada Has Large Tobacco Crop; Imports Labor	424
Switzerland Tobacco Demand Exceeds Transportation Facilities	425
FRUITS, VEGETABLES, AND NUTS -	
Argentine Potato Crop Reduced Slightly	426
Heavier Spanish Olive-Oil Production in Prospect	426
Spanish Filbert Crop Below That of Last Year	427
LIVESTOCK AND ANIMAL PRODUCTS -	
Canadian Cattle Marketings to be Heavy This Fall	430
Brazilian Exports of Hides and Skins to United States Increase Sharply	432

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L A T E C A B L E S

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Italy 1941 wheat production placed at 262,715,000 bushels as compared with 261,252,000 bushels in 1940.

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Japan rice production, unofficial estimate for 1941 is placed at 541,158,000 bushels as compared with the revised official estimate for 1940 of 554,554,000 bushels.

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China rice production, unofficial estimate for 1941 is 2,327 million bushels as compared with 2,252 million bushels in 1940.

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Declared exports of cashew nuts from the Madras Consular District of India to the United States, according to figures obtained from consular invoices during the month ended August 31, were 1,781 short tons. Average declared value per pound was 19.53 United States cents. Declared exports from Bombay Consular District were 186 short tons, and average declared value per pound was 18.36 cents.

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G R A I N S

UNITED STATES BEGINS NEW SEASON WITH REDUCED WHEAT EXPORTS . . .

Exports of wheat, including flour in terms of grain, from the United States during July, the first month of the 1941-42 marketing season, were considerably smaller at 2,413,000 bushels than in July 1940 and only about a third as large as the comparable figure for 1939. Shipments of wheat as grain fell off more sharply than those of flour, and in fact more flour made wholly of domestic wheat was shipped out in July of this year than last, but exports of flour milled in bond from other wheat were much smaller.

UNITED STATES: Exports of wheat and flour, July 1941, with comparisons

July 1941, with comparisons

Period	Wheat	Flour				Wheat including flour
		Wholly of United States wheat		From other wheat		
	1,000 bushels	1,000 barrels	1,000 bushels	1,000 barrels	1,000 bushels	1,000 bushels
July-June						
1939-40 .	23,636	4,517	21,232	2,001	9,406	54,274
1940-41 <u>a/</u>	10,810	<u>b/</u> 4,866	22,870	<u>b/</u> 1,487	6,991	40,671
July						
1939	3,019	738	3,467	167	784	7,270
1940	1,888	258	1,212	127	598	3,698
1941	30	424	1,995	83	388	2,413

Compiled from official records, Bureau of Foreign and Domestic Commerce.

a/ Preliminary.

b/ Not the total of monthly figures because of slight revisions.

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QUOTA ESTABLISHED FOR IMPORTS OF CANADIAN WHEAT INTO THE UNITED STATES FILLED . . .

The quota established for imports of Canadian wheat (other than wheat unfit for human consumption) on May 28, 1941, for the 12 months beginning May 29, 1941, was filled during the week ended September 20, according to an announcement made by the Bureau of Customs on September 24. The quota for Canadian wheat was placed at 795,000 bushels and was limited to wheat entering the country, or withdrawn from warehouses, for consumption in the United States.

The establishment of quotas for wheat and flour imports into the United States was a precautionary measure considered necessary because of record supplies in this country and the widening spread between wheat prices in the United States and those in other countries. Ordinarily, the former are not sufficiently high to permit foreign wheat to enter the country profitably because of the 42-cent tariff payable on each bushel of wheat for consumption, but recently the effect of this duty was offset by the advance of United States prices, resulting from the increase in domestic loan rates. For the quotas established for other countries, see Foreign Crops and Markets of June 9, 1941.

SPANISH GRAIN CROP CONTINUES BELOW LEVEL OF PRE-CIVIL-WAR AVERAGE . . .

Estimates of grain acreages and crops in Spain for the years 1939 to 1941, as reported by the International Institute of Agriculture at Rome, indicate that little progress has been made toward a recovery from the effects of the recent civil war on grain production. Exception must be made in the case of corn, which accounts for a relatively small part of the total grain crop. It is not known, however, whether the estimates of these recent years were made on a basis exactly comparable with that used in pre-war years.

The 1941 wheat crop, estimated at nearly 109 million bushels, was harvested from an acreage somewhat smaller than that of 1940, which produced the abnormally short crop of 79 million bushels. While a great improvement in yields occurred this year, production is still far below the pre-war average and the estimated annual domestic requirements of about 138 million bushels. During 1940-41, the shortage of wheat resulted in near-famine conditions, and considerable importation was necessary. No import statistics are available but trade reports and preliminary export figures for Argentina indicate that Argentine wheat filled part of Spain's import requirements, but whether such taking will continue during the current season is problematical.

With the 1941 rye crop placed at less than 12 million bushels, the downward trend of the 2 previous years was continued in spite of an acreage almost as large as that of 1940. Rye is, however, the least important of the Spanish grain crops. While barley production is still greatly reduced, the 1941 crop was about 20 percent larger than that of 1940, although the acreage was somewhat smaller. The area devoted to oats this year was also somewhat less than that of 1940, but the harvest was 6 million bushels larger than the 33 million bushels obtained both in 1939 and 1940 and only about 7 million bushels short of the pre-war average. Corn production declined this year but at 27 million bushels, was about the same as in pre-war years.

SPAIN: Acreage and production of grains,
average 1931-1935, annual 1939-1941

Year	Wheat	Rye	Barley	Oats	Corn	Rice
	1,000 <u>acres</u>	1,000 <u>acres</u>	1,000 <u>acres</u>	1,000 <u>acres</u>	1,000 <u>acres</u>	1,000 <u>acres</u>
<u>ACREAGE</u>						
Average 1931-1935	11,260	1,469	4,683	1,917	1,076	116
1939	8,639	1,302	3,382	1,423	1,101	106
1940	8,735	1,361	3,859	1,597	1,118	132
1941	8,547	1,333	3,773	1,535	-	-
	1,000 <u>bushels</u>	1,000 <u>bushels</u>	1,000 <u>bushels</u>	1,000 <u>bushels</u>	1,000 <u>bushels</u>	1,000 <u>bushels</u>
<u>PRODUCTION</u>						
Average 1931-1935	160,338	21,696	109,964	46,169	27,928	14,256
1939	105,448	16,144	65,130	32,966	33,197	8,726
1940	79,412	13,821	64,103	32,685	29,202	13,167
1941	108,944	11,692	77,390	38,925	27,749	13,669

Compiled from official statistics, and reports from the International Institute of Agriculture, Rome.

REDUCED BREAD-GRAIN CROPS IN SWEDEN
RESULT IN INCREASED FARM AID . . .

The 1941 Swedish bread-grain crop is reported to be 10 percent below that of 1940, according to information received in the Office of Foreign Agricultural Relations, but the first official estimates for wheat and rye indicated a somewhat greater total reduction when compared with the latest figures available for the 1940 production of these crops. The wheat outturn, estimated at 12,493,000 bushels, is 21 percent below the last official estimate received for 1940, while rye, placed at 11,062,000 bushels, shows a decrease of 1 percent. Since it was stated that wheat was reduced by 19 percent and rye increased by 6 percent, it appears that the 1940 estimates have been revised downward, the former very little and the latter considerably.

Prospects in late August pointed to a total bread-grain crop this year about equal to that of last year or only a little poorer. With reduced stocks carried over into the new season, total supplies for 1941-42 were expected to be limited but not to the extent now indicated by the official crop estimates. It is of interest to note that the reduction in the bread-grain production of 1940 and 1941 appears to have resulted from poor yields in the case of wheat and from a decline in acreage in the case of rye.

SWEDEN: Acreage and production of wheat and rye,
1935-1941

Year	Wheat		Rye	
	Acreage	Production	Acreage	Production
	1,000 acres	1,000 bushels	1,000 acres	1,000 bushels
1935	674	23,610	561	16,902
1936	694	21,635	531	13,838
1937	739	25,335	487	14,731
1938	763	30,184	464	15,932
1939	834	31,384	431	14,893
1940	763	a/ 15,869	285	b/ 11,205
1941	707	12,493	281	11,062

Compiled from official statistics. a/ Apparently revised to 15,423,000 bushels. b/ Apparently revised to 10,436,000 bushels.

With the exception of small quantities sent to Finland, partly on a loan basis, and some to Norway, Sweden has exported no bread grain during recent months. On the other hand, with the extension of the war into Russia, the country is practically cut off from all imports of grain. In order to stretch supplies and maintain present rations of bread and flour, it is reported that measures for mixing other flours with wheat flour are under consideration by the Government. In the meantime, in order to encourage the domestic production of bread grain, the Government has already fixed prices for the 1941 crops of wheat and rye, with several innovations designed to encourage the farmers in their 1942 seeding operations.

For bread grain from the 1941 crop, sold voluntarily prior to March 1, 1942, the producers will receive 27 crowns per 100 kilograms (about \$1.75 per bushel for wheat and \$1.63 for rye) with an increase of 2 crowns per 100 kilograms for spring wheat (13 cents per bushel) because of its superior quality. While these prices correspond to those established last spring for 1940 grain, a new feature was introduced into the price system known as an acreage supplement. This is directed toward compensating farmers who harvested poor crops this year, while at the same time encouraging increased seeding. Up to a maximum of 800 crowns (\$190) per farm, 60 crowns will be paid for each hectare of wheat sown and 45 crowns for each hectare of rye (about \$5.79 and \$4.34 per acre, respectively). Half of this acreage supplement will be paid when seeding has been completed and the remainder when the farmer has sold his surplus 1942 bread grain. Farmers who have no seed grain will be permitted to borrow from Government reserve stocks with the understanding that the seed be returned not later than October 31, 1942, or be paid for at the rate of 30 crowns per 100 kilograms (about 3 cents per pound).

UNITED STATES RICE EXPORTS ATTAIN NEAR-RECORD LEVEL . . .

Rice exports from the United States during the 1940-41 season ended July 31 were the highest in the past 12 years, and, when shipments to domestic possessions are added, the total off-shore movement was the highest since 1931. Combined exports and shipments this past season represented approximately 45 percent of our 1940 crop.

The export demand for United States rice, as well as the demand from domestic possessions, continues strong, and it is believed that the total off-shore movement during the 1941-42 season (August-July) may be even greater than that of last year. The total movement this season may, however, be limited to the quantity of rice available. The crop this year is about 10 percent larger than in 1940. The September 1 official estimate placed production at 60,572,000 bushels as compared with 52,754,000 bushels in 1940. A recent hurricane in Texas and Louisiana is reported to have destroyed from 2 to 3 million bushels. The domestic demand for rice has increased with the expansion in industrial activities.

RICE: United States domestic exports and shipments to possessions,
August-July, average 1926-27 to 1930-31,
annual, 1931-32 to 1940-41 a/

Marketing year (August-July)	Exports	Shipments <u>b/</u>	Total
	<u>1,000 pounds</u>	<u>1,000 pounds</u>	<u>1,000 pounds</u>
Average, 1926-27 to			
1930-31	248,552	<u>c/</u> 273,277	521,829
1931-32	224,642	295,207	519,849
1932-33	134,877	324,245	459,122
1933-34	91,759	283,825	375,584
1934-35	120,386	317,082	437,468
1935-36	78,945	292,471	371,416
1936-37	67,508	293,569	364,077
1937-38	325,769	333,237	659,006
1938-39	326,122	292,204	618,326
1939-40	306,512	345,979	652,491
1940-41 <u>d/</u>	389,796	343,102	732,898

Compiled from official records, Bureau of Foreign and Domestic Commerce.

a/ Milled rice and paddy in terms of milled.

b/ Includes rice flour, meal, and broken to Alaska through April 1939.

c/ Includes flour, meal, and broken rice.

d/ Preliminary.

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V E G E T A B L E O I L S A N D O I L S E E D S

BAHIA CASTOR-BEAN EXPORTS ABOVE LAST YEAR . . .

The 1941 castor-bean crop in Bahia, Brazil is estimated at about 43,000 short tons, or approximately the same as in the past few years, according to information received in the Office of Foreign Agricultural Relations. Exports during the first 6 months of this year were considerably above the corresponding period in 1940, and trade circles report that from 7 to 13 million pounds of beans were available for shipment in the vicinity of Bahia at the end of July.

The marketing situation is adversely affected by the shortage of railway facilities for bringing castor beans from the interior of the State, also of shipping space to the United States. It is hoped that this difficulty will be overcome when the American shipping-expansion program gets under way.

Production of castor oil is increasing. Six extracting plants are in operation in Bahia at the present time, and the output for 1941 is expected to be greater than last year. Consumption of oil within the State is comparatively small, so that the bulk of the output is available for export. Shipments during the first 7 months of this year totaled 1.3 million pounds. Prices of first quality oil on the Bahia market ranged from 70 milreis per case (of 32 kilograms) in January to 110 milreis in July (6.0 to 9.5 cents per pound converted at the official rate of exchange).

CASTOR BEANS: Exports from the port of Bahia, Brazil, by countries of destination, 1938-1940, and January-June 1940 and 1941

Country.	1938	1939	1940	January-June	
				1940	1941
	1,000	1,000	1,000	1,000	1,000
	pounds	pounds	pounds	pounds	pounds
United States	42,295	38,956	51,361	10,105	57,376
Netherlands	10,962	2,742	898	898	-
Great Britain	13,149	7,597	-	-	-
Italy	2,394	676	13,536	13,536	-
France	4,620	2,702	-	-	-
Belgium	12,257	1,347	-	-	-
Germany	-	1,574	574	574	-
Japan	2,341	-	7,533	-	4,253
Uruguay	88	-	-	-	-
Brazil (other ports)	-	-	225	-	-
Total	88,106	55,594	74,127	25,113	61,629

American consulate, Bahia.

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C O T T O N - O T H E R F I B E R S

SHORTAGE OF RAW COTTON IN PORTUGAL
HANDICAPS MILL OPERATIONS . . .

The cotton-mill industry in Portugal during June operated on a 4-to-5-day-week basis, and some mills had ceased operations by the end of the month for lack of raw-cotton supplies. Demand for piecegoods and yarn had been sufficiently strong since January to maintain mill operations almost at full capacity until stocks of raw cotton became scarce in June. About 21,000 bales of Brazilian cotton were expected to arrive in July and August to relieve the shortage for 2 or 3 months.

Details of cotton imports into Portugal are not available. Statistics for entries into the port of Oporto, representing the bulk of Portuguese cotton imports, show that the 1940 total of 164,000 bales (running) was somewhat less than the 182,000 imported in 1939. Portuguese colonies were the chief source in each year. Arrivals of cotton other than that from the colonies (principally Mozambique and Angola) during the first 6 months of 1941 were much lower than usual because of a shortage of shipping facilities. Domestic mills require nearly 200,000 bales of cotton annually when the market for cotton goods is favorable.

PORTUGAL: Imports of cotton through the port of Oporto,
by countries, 1939 and 1940
(In running bales)

Country	1939	1940
	<u>Bales</u>	<u>Bales</u>
Portuguese Africa	120,542	99,505
Brazil	21,851	42,273
United States	a/ 31,227	11,986
Egypt	6,170	6,167
India	2,077	4,462
Other countries	122	29
Total	181,989	164,422

Compiled from a current consular report.

a/ Includes 1,723 round bales.

Exports of cotton goods, mostly dyed or printed, to Portuguese Africa, representing by far the largest export market, were nearly normal during the first half of 1941, and small quantities of piecegoods and yarn were exported to France and Switzerland. Sales in domestic and colonial markets are limited mainly by the amount of raw materials available for spinning mills. Exports of cotton goods amounted to 6,258,000 pounds

in 1940 against 7,502,000 in 1939. The total for January-May 1941 was 3,421,000 pounds against 3,252,000 for the corresponding period in 1940.

PORTUGAL: Cotton prices c.i.f. Oport , June 30, 1941
(In United States cents per pound)

Growth <u>a/</u>	Price	Growth <u>b/</u>	Price
	<u>Cents</u>		<u>Cents</u>
Mozambique, No. 1	18.47	Sao Paulo, type 3	12.82
No. 2	17.57	American G.M. 1 inch ...	19.62
Angola, No. 1	18.27	G.M. 15/16 inch	19.51
No. 2	17.37		

Compiled from a current consular report.

a/ For delivery to end of July. b/ For delivery to end of August.

COTTON MILL ACTIVITY IN CANADA
SLIGHTLY LOWER IN AUGUST . . .

The estimated consumption of 39,808 bales (of 500 pounds gross) of cotton in Canada for all purposes during August was somewhat less than the 46,852 bales consumed in July, according to information received in the Office of Foreign Agricultural Relations. The decline was attributed to labor disturbances that caused the temporary closing of several Quebec mills, a shortage of skilled labor, and the fact that there were 1-1/2 less working days in August than in July.

Orders for cotton war materials have been increased considerably to permit shipments to Russia and China. It is believed that by the end of 1941 war-material orders will equal 25 to 30 percent of total mill output instead of about 10 percent as in recent months. Since cotton mills are already operating at or near peak capacity and not more than 5 percent additional expansion is possible in the near future, deliveries to the civilian trade by domestic mills are expected to be reduced. The Canadian Government has already announced that price-control powers will be delegated to prevent undue price rises. Indirect restriction of civilian purchasing is already in effect to some extent through limitation of available supplies to the cutting-up trades. It was announced on September 12 that the clothing trade is to be licensed.

The following statistics, covering all cotton spinning mills in Canada, trace the upward trend of the industry during the past 18 months and indicate a large-scale shift by Canadian mills from the use of American to Brazilian cotton.

CANADA: Cotton-mill statistics July 31, 1940,
and January 31 and July 31, 1941

Item	Unit	6 months ended		
		July 31, 1940	Jan. 31, 1941	July 31, 1941
Consumption by cotton-spinning mills -				
American	Running bale	202,573	125,897	81,111
Brazilian	do	893	86,533	161,537
Indian	do	1,473	1,412	495
Egyptian	do	4,472	6,133	5,654
Others	do	460	761	2,251
Total	do	209,871	220,736	251,048
Estimated consumption for all purposes	500-lb. bale	260,888	254,033	272,577
Cotton in stock -				
American	Running bale	88,744	50,060	47,029
Brazilian	do	8,747	53,500 ^{a/}	60,015
Indian	do	1,406	877	310
Egyptian	do	4,152	1,006	1,806
Others	do	335	1,102	1,442
Total	do	103,384	106,545	110,602
Spinning spindles in operation	Number	1,154,203	1,169,237	1,176,397
Spindles on Egyptian cotton	do	65,513	70,964	85,757
Spindles on rayon staple fiber	do	26,616	40,054	51,932
Staple fiber used	Pound	751,621	1,132,061	1,335,689

Compiled by the Cotton Institute of Canada.

a/ Additional quantities of Brazilian cotton purchased by importers in Canada and stored in New York and Boston warehouses were estimated at upward of 150,000 bales at the end of July.

In view of the serious loss of the Canadian market for American cotton, due mainly to a price difference of 4 to 5 cents per pound in favor of Brazilian, two cotton export programs have been announced by the United States Government. One program, inaugurated on September 17, 1941, in the Commodity Credit Corporation, provides for the release of specified quantities of Government-owned cotton from the 1937 crop to qualified exporters at a basic price of 13.25 cents per pound. The cotton thus acquired, or an equal number of pounds, must be exported under prescribed regulations between September 18, 1941, and July 31, 1942. The second program, announced on September 27 by the Surplus Marketing Administration, provides a payment to exporters in connection with cotton exported to Canada. The rate of payment was set initially at 2.5 cents

a pound, but both the rate and the quantity of cotton which may be sold by any one exporter are subject to change and hold only for the period covered by each official announcement.

Purchases of Brazilian cotton by importers in Canada are reported unofficially to have totaled 350,000 to 400,000 bales during the year ended July 31, 1941, being particularly heavy in May and June. Canadian import statistics indicate that arrivals from Brazil during 1940-41 totaled 255,000 bales against 189,000 from the United States (includes some Brazilian cotton transshipped from New York and Boston). Brazilian export statistics show 444,000 bales exported to Canada and the United States (for transshipment) in 1940-41. Quantities stored in American warehouses probably account for the difference and will appear in Canadian import statistics in coming months. Imports from the United States in July amounted to only 8,000 bales against 34,000 from Brazil and 2,000 from Egypt, out of a total of 45,000 bales.

CANADA: Cotton imports by country of purchase,
1938-39 to 1940-41
(In bales of 478 pounds net)

Country <u>a/</u>	1938-39	1939-40	1940-41
	<u>Bales</u>	<u>Bales</u>	<u>Bales</u>
United States	251,756	458,737	188,959
Brazil	1,348	11,340	254,948
Egypt	8,388	15,203	13,856
British India	1,613	2,234	1,919
Peru	<u>b/</u>	-	3,355
Other countries	597	171	412
Total	263,702	487,685	463,449

Monthly Report of the Trade of Canada.

a/ Refers to country where purchased and not necessarily country of origin.

b/ If any, included in "Other Countries."

INDIA CUTS JUTE ACREAGE
IN HALF

The preliminary jute forecast for India of 2,212,600 acres for the 1941 crop is practically 50 percent below the 1940 acreage that produced the record crop of almost 12,600,000 bales (of 400 pounds). Most of the reduction is accounted for by the great decrease of acreage in the province of Bengal, where 80 to 90 percent of India's jute is grown. This year's acreage in Bengal, currently estimated at 1,633,900 acres,

has been limited to one-third of the 1940 area. The final estimate for Bengal last season was 3,607,050 acres; however, a total of 4,938,850 acres was actually recorded under the terms of the Bengal Jute Regulation Act of 1940.

Statements to the effect that heavy rains and floods, as well as a "gentleman's agreement" between the Governments of Bengal and Assam, whereby unfair advantage would not be taken by Assam, were other factors influencing the crop.

In 1940, the growers were enthusiastic and planted every bit of available land, because huge war orders had increased consumption beyond the 1939 production, thus cutting into stocks, and because of the relatively high prices prevailing at planting time. The quality of the crop was poor in comparison with normal years, because the natives put marginal land into production.

As orders for sand bags and other jute manufactures placed by Britain reached completion, it was necessary for the jute mills to reduce hours of operation. The demand for jute supplies was therefore diminishing, prices were declining, and Bengal was faced with a large carry-over from the record jute crop.

Legislation had previously been contemplated to restrict jute growing. A regulation for the 1940 crop was passed earlier but was later withdrawn, since it was useless to try to put it into effect under the favorable conditions at the time of planting. In September 1940, when prices were lower and a possible carry-over of more than 4,000,000 bales was evident, a law was passed in Bengal limiting the 1941 acreage on the basis of one to three of the 1940 plantings.

Loss of markets in continental Europe and the present scarcity of shipping facilities for exporting jute to the United States and the United Kingdom have resulted in the heavy accumulation of stocks from last year's bumper crop. The inability of other countries to obtain jute, coupled with its high price, has caused these countries to seek substitutes for jute.

BRAZILIAN FIBERS ADVOCATED AS SUBSTITUTE FOR JUTE . . .

Brazil's coffee industry requires 15,000,000 bags per year in which to transport its coffee, one of the most important uses of fabrics made from jute, according to various reports received from the American consulate in Brazil. These bags are made from approximately a yard and one-half of fabric manufactured from imported jute.

In order to meet the needs of the jute manufacturing industry, the center of which is located in São Paulo and Rio de Janeiro, almost 50,000,000 pounds of raw jute were imported during 1940. A small quantity of jute yarn and also unspecified jute was imported, supplementing the raw-jute imports.

With world conditions as they are, and with the increasing difficulty that Brazil is experiencing in obtaining shipments of jute from India, the need to find fiber substitutes for its jute industry has again arisen as it did in the World War of 1914-1918.

There are about 15 fiber-yielding plants, native to Brazil, that are being contemplated as possible substitutes for jute. Interest in these fibers, that developed after the war started, has been further stimulated by the resolution of the Commission for the Defense of the National Economy, dated August 20, 1940, which requires the use or admixture of Brazilian fibers in products formerly manufactured of imported jute.

The bulk of the present supply of native fibers grows wild, therefore any of the contemplated substitute fibers accessible to the São Paulo market would not be available for export, at present, since the manufacturers purchase all fibers obtainable in the locality.

Brazilian Government authorities indicate that there are five fibers now offering the best export possibilities, which are called paco-paco, juta indiana, malva veludo, guazima, and papoula de São Francisco. These fibers are from plants that grow in the States of Ceara, Para, Amazonas, and Bahia. The authorities, however, feel that the country is not prepared to export very large quantities of these fibers, because the present supply is not sufficient to meet the domestic demand for all purposes. They are confident that if the unsettled world conditions continue, Brazil's production of these fibers will double in the next year and quadruple itself in 2 years. If the war should terminate and the price of jute should return to pre-war levels, the plans for cultivation of the substitute fibers might be modified considerably. Cost of producing such fibers is too great when compared with the low price of jute, and therefore the Brazilian fibers are not considered in a position to compete with Indian jute at normal prices.

Under the assumption that present conditions will continue, it is likely that the source of available supplies of the jute substitutes will change as more area comes under cultivation in the districts nearer the manufacturers, namely in the States of Rio de Janeiro and São Paulo. It is hoped to improve the quality of the fibers through selective cultivation. Latest information indicates that guaxima and papoula de São Francisco are the two fibers that are receiving the greatest attention for cultivation purposes.

Guaxima, which is being used to some extent in the São Paulo mills with jute, is said to exceed 3 feet in length. An average of about 8,800 pounds of material per acre is obtained that yields 34 percent of fibrous substance.

Papoula de São Francisco is used most at the present time for mixing with jute, according to one source of information. The plant from which it is obtained is an annual one, and all the cultivation and harvesting is done by machinery. In manufacturing, the fiber is said to be similar to jute, requiring an oil bath before carding.

One group of mills using this fiber has 2,400 acres in cultivation, from which it obtains around 106,000 pounds of fiber per year. This group of mills is preparing an additional area of approximately 9,000 acres that is expected to yield them roughly 400,000 pounds more fiber. With the additional acres in cultivation, this group of mills expects that the production from the plantation will make them independent of importations of jute.

These mills hope to export finished cloth to the United States when they attain full production. They are likewise of the opinion that they will be able to compete with India in our market as long as the price of Indian jute, under the present unsettled conditions, remains high.

Some of the other Brazilian fibers that are being contemplated as substitutes for Indian jute are infuscata, gravatá, caroá and malva. Infuscata is obtained from a perennial plant that reaches maturity in a year. The leaves from the plant are adaptable to mechanical cultivation, picking, and decortication, producing semihard fibers. It is stated that these fibers may be spun and woven in jute mills without altering the machinery. They do not require an oil-emulsion treatment as jute does. So far as is known, the plant is not attacked by disease, and about 1,650 pounds of fiber per acre are obtained when grown in dry, fertile soils. The cost of production has averaged about 2 cents per pound since it was first discovered as a source of fiber about 5 years ago. Production, however, has not reached large-scale commercial proportions.

The plant from which the gravatá fiber is obtained reaches maturity in 1 year, which is considered the best age for picking. The fiber, like infuscata, does not require the oil-emulsion treatment before carding.

In most of the various reports received from Brazil pertaining to native fibers that may furnish possible substitutes for imported jute, the caroá fiber was not mentioned. One report states that this fiber is the second in popularity among the native fibers that are

now being mixed with jute, whereas another report states that it is not considered as a good bag-making fiber. Although it can be used with jute, it is not desirable as a substitute. Like the two preceding fibers mentioned, it does not require the oil-emulsion treatment.

Several decrees were published last February establishing specifications, classification charges, and export inspection for the fibers paco-paco, jute (juta indiana), guaxima, and papoula de São Francisco. There is no information in respect to the production of these fibers nor the quantity exported. A recent report indicated that none of the fibers had been exported in the raw form, but during the current year some burlap bags were exported containing small quantities of the domestic substitute fibers.

Exports of jute or jute-substitute bags, textiles, or fibers cannot be made until authorization has been obtained from the Committee of Defense of the National Economy. Since no subsidies are paid, the only encouragement to grow substitute fibers is the regulation requiring that a minimum of 10 percent of native fibers be mixed with imported jute.

Recently it was still possible to obtain some burlap textiles and bags made from Indian jute mixed with small quantities of Brazilian fibers. If a large demand should develop, it is not known how much would be available for export, depending, for the time being, upon the ability to obtain additional supplies of jute from British India. It was reported that this summer a Japanese ship took about 80,000 bags destined for Japan.

The situation in respect to imports of jute from India was serious and becoming more difficult. The port of Santos in the State of São Paulo, where the majority of the jute mills are located, formerly received four cargoes of jute per month from India. Through June of this year the average number of cargoes has been one per month, arriving at very irregular intervals.

BRAZIL: Total imports of jute through all ports and
through the port of Santos, 1938-1940
(In bales of 400 pounds)

Year	All ports	Port of Santos
	<u>Bales</u>	<u>Bales</u>
1938	168,183	98,722
1939	147,333	107,226
1940	123,491	94,980

Compiled from a current consular report.

On December 9, 1940, the Commission for the Defense of National Economy issued an order requiring jute manufacturers to enter into direct understanding with one another to coordinate their production and sales through the establishment of quotas and other conditions, subject to the control of the Commission. Quotas were established, based on the number of looms owned by each company and a sales price, based on the average cost of production, allowing a maximum profit of 10 percent, was established in April. Furthermore the bag manufacturers are not permitted to work more than 8 hours per day except by special permission.

None of the jute mills are able to supply fabric made entirely of Brazilian fibers. Fibers used experimentally from the cultivated plants have given good results, but the wild varieties have not, the principal reason being lack of uniformity in quality of the uncultivated plants. Satisfactory fabrics have been obtained with the use of the 10-percent mixture of Brazilian fibers with imported jute that is obligatory, as previously stated. Greater quantities of Brazilian fibers are used, ranging from the 10-percent minimum to about 25 percent, when the desired quality permits.

A company that uses guaxima fiber to mix with jute stated that by obtaining special permission (which is required by the Commission) to work overtime for the export trade, it could supply about 325,000 yards of cloth per month.

PRODUCTION OF LINEN-FLAX STARTED IN NEW ZEALAND . . .

According to a report received from the American consulate at Wellington, the New Zealand Department of Agriculture has been experimenting with linen-flax production for several seasons. Linen flax is a new adventure in New Zealand and is not the New Zealand flax or phormium tenax used in making ropes and mats. Growing of the New Zealand type was formerly an important industry in the Islands but in recent years it has been of little consequence.

In the 1939-40 season, 400 acres of flax-fiber were grown commercially, and this year, because of the request made by the United Kingdom, 14,000 acres were planted under Government contract in September and October of 1940. The New Zealand Government expects to obtain 5,000 tons of flax-fiber for export from this area, with an ultimate goal in 1942-43 of 15,000 tons. This fall it is hoped to increase the acreage to 25,000 acres, which should yield 10,000 tons of flax fiber. Prices have been agreed upon with the British Ministry of Supply for the next two seasons, 1941-42 and 1942-43.

- - - - -
T O B A C C O

CANADA HAS LARGE TOBACCO CROP;
IMPORTS LABOR . . .

Prospects for the 1941 Canadian tobacco crop remain about the same as at the end of August, when a production of 65 to 70 million pounds was expected, according to Clifford C. Taylor, American agricultural attaché at Ottawa. While this crop is from 25 to 30 percent below the three large crops produced during the period 1937-1939, it is still in excess of what might be considered a normal Canadian production. The flue-cured crop of Ontario (which produced over 90 percent of the total Canadian flue-cured) was from 10 to 14 days earlier than last year. Harvesting began on August 4, and by the first of September half of the crop was in barns. The quality is reported good, and it is estimated that the average yield per acre will be considerably higher than the low yield of last year.

Canada imported United States labor again this year, to be used in the tobacco harvest. The Department of Immigration issued permits for 1300 tobacco primers and 1300 curers to enter the country between July 18 and October 1, 1941. Most of the recommendations for these permits originated with the Secretary of the Flue-Cured Tobacco Marketing Association of Ontario. These men were transported by truck from Virginia, the Carolinas, and Georgia to Detroit, and by other trucks from the Canadian border to the tobacco farms. They were paid from \$30 to \$40 per week and transportation expenses each way.

It is reported from the American consulate in Hamilton that a Turkish-born Greek chemist, after 4 years of experimentation, has developed a strain of Turkish tobacco that can be successfully grown in Western Ontario. While all previous experiments with growing Turkish tobacco in Canada have failed, it is claimed that the newly developed Turkish type will produce more than a ton of high-grade tobacco from less than an acre of land. The priming and curing process differs from that of other Canadian tobaccos in that the leaves are primed according to color and size and strung with needles on heavy strings. The leaves are air-cured first, then placed under glass, where the curing process is completed by degrees. The finished product is said to compare favorably with Turkish-grown tobaccos.

Consumption of tobacco in Canada continues to increase slightly, and it was estimated that the total disappearance of leaf during the year ended September 30, 1941, might exceed the total of 51.2 million pounds officially estimated for 1939-40. Consumption of cigarettes, amounting to 6.6 billion, for the first 10 months of the year (October 1940 to July 1941) was somewhat greater than that of a year earlier, but consumption of smoking tobacco declined by about 2.5 percent

Imports of leaf tobacco, under the operation of import control, have continued the decline that characterized the expansion of leaf production during previous years. Exports of flue-cured tobacco to destinations other than the United Kingdom (particularly to Australia) are increasing, but they are still small. Plans continue for the exportation of about 8 million pounds to the United Kingdom during the next 12 months. It is thought possible that these exports will be partly from the 1939 crop, now aged and ready for manufacture, and partly from the 1941 crop.

SWITZERLAND TOBACCO DEMAND EXCEEDS TRANSPORTATION FACILITIES . . .

Arrivals of leaf tobacco in Switzerland during the second quarter of 1941 were fairly satisfactory, considering the existing transportation conditions, according to information available in the Office of Foreign Agricultural Relations. Considerable quantities of leaf came in from the United States on Swiss chartered ships, and a large part of the stocks that had been held up in Portuguese and Spanish ports reached Switzerland, either directly or indirectly. Shipments from Greece, Turkey, and Bulgaria decreased sharply, owing to the spread of the war in that area. Demand continues in the Swiss manufacturing industry for a greater supply of tobacco leaf. This demand at present is not regulated by price or quality, but the big problem facing the market is the lack of transportation.

It is estimated that when the war began, stocks of imported tobacco in Switzerland amounted to approximately 2 years' supply. Stocks at the end of August were believed to have been sufficient for more than a year without additional imports; but, despite the general stock sufficiency, there is a shortage of some types, which may grow more acute as time goes on. This particular shortage has resulted in the discontinuance of several brands of tobacco products. Rationing has not yet become necessary.

Consumption of tobacco products during 1940 was comparatively high, according to revenue returns, showing an increase of 12 percent as compared with 1939. This increase is thought to be partly due to the effect of mobilization and partly to an increase in the consumption of cheaper types of tobacco products, which is reflected in an increased demand for imports of lower grades of leaf.

No new taxes are planned to be applied specifically to tobacco, although in the event that a tax should be applied to the general business turn-over, the tobacco industry would obviously be called upon to bear its share. The present Federal budget provides for revenue from tobacco taxes amounting to approximately 40 million francs (\$9,300,000).

F R U I T S, V E G E T A B L E S, A N D N U T SARGENTINE POTATO CROP
REDUCED SLIGHTLY . . .

The third estimate of the Argentine potato crop for the 1940-41 season places the crop at around 38,691,000 bushels, or about 100,000 bushels below the second estimate, according to information received from the American Embassy at Buenos Aires. The difference is attributed largely to a statistical readjustment of the yields obtained in the various Provinces and Territories. The 1940-41 crop is slightly below that of the previous year but is above the average crops for recent years. Included in this total are 9,553,000 bushels of potatoes that are commercially unacceptable due to poor quality, but a considerable proportion of which is expected to be consumed in the producing sections.

ARGENTINA: Acreage and production of potatoes,
1940-41

Province or territory	Acreage		Production 1,000 bushels
	Planted Acres	Harvested Acres	
Sant Fe	270,800	187,800	10,288
Buenos Aires	205,100	163,100	15,910
Mendoza and San Juan	65,500	52,100	7,312
Tucumán, Salta, and Jujuy	28,700	26,700	3,013
Rio Negro and Neuquén	8,600	8,600	955
Other Provinces and Territories	18,800	14,800	1,213
Total	597,500	453,100	38,691

Argentine Ministry of Agriculture. Converted to bushels of 60 pounds.

HEAVIER SPANISH OLIVE-OIL PRODUCTION
IN PROSPECT . . .

The preliminary forecast of Spanish olive-oil production in 1941 is 477,000 short tons, compared with the revised estimate of 350,000 tons in 1940 and 200,000 tons in the preceding year. The forecast is about 17 percent above the recent 5-year average of 408,100 tons for the 1935-1939 period and 32 percent above the 10-year average of 362,400 tons for the 1930-1939 period.

Growing conditions have been good in the principal olive-growing districts. In the important Seville district, the fruit is reported to be sound and well advanced. Damage from insect pests and diseases is reported as negligible.

SPAIN: Estimated production of olive oil, 1929-1941

Year	Production	Year	Production
	Short tons		Short tons
1929	726,100	1937	550,000
1930	126,400	1938	352,000
1931	386,300	1939 <u>a/</u>	220,000
1932	383,700	1940 <u>a/</u>	350,000
1933	341,900	1941 <u>b/</u>	477,000
1934	345,000		
1935	483,800	Average:	
1936	435,000	1935-1939	408,100

Estimates of the Office of Foreign Agricultural Relations.

a/ Preliminary estimate. b/ Preliminary forecast.

Trade sources estimate stocks of edible oil on hand at around 75,000 to 80,000 short tons. Exports have been very small, but a considerable volume of oil has been moving from the producing districts for distribution to other parts of Spain. According to press reports, some 71,000 short tons have been shipped by Government trucks overland to various parts of Spain since the first of the year. In addition, some 32,000 tons are reported to have cleared Spanish ports destined for other Spanish ports or Spanish possessions.

The export situation is confused at the moment. Exports are controlled by the Spanish Government, and the volume authorized thus far in 1941 has been very small. No export prices have as yet been set.

SPANISH FILBERT CROP

BELOW THAT OF LAST YEAR . . .

The preliminary forecast of the 1941 Spanish filbert crop is placed at around 20,000 short tons unshelled, or a reduction of nearly 10 percent below the revised estimate for the previous year. This compares with the recent 5-year average of 26,800 tons for the 1935-1939 period and 25,600 tons for the 10-years 1930-1939.

Growing conditions during the current season have been favorable, and the quality of the crop has been reported as average. With the liquidation of the Government agency controlling the marketing of filberts, which was ordered recently, satisfactory statistical information on the production and marketing situation has become increasingly difficult to secure. A considerable proportion of the previous year's crop

was sold without passing through the hands or under the control of that organization, and, accordingly, no complete data on the 1940 production can be available from official sources.

SPAIN: Estimated production of filberts, 1929-1941

Year	Production	Year	Production
	<u>Short tons</u>		<u>Short tons</u>
1929	39,400	1937	32,000
1930	10,500	1938	28,000
1931	24,000	1939	24,200
1932	35,000	1940 <u>a/</u>	22,000
1933	14,000	1941 <u>b/</u>	20,000
1934	38,000		
1935	24,000	Average,	
1936	26,000	1935-1939	26,800

Estimates of the Office of Foreign Agricultural Relations.

a/ Preliminary estimates revised. b/ Preliminary forecast.

Exports of filberts from Spain since January 1, 1941, have been very small. A few export permits have been reported covering small shipments to Argentina. The Spanish Government has not been refusing to consider applications for export permits but has been refusing to grant the required permits because of dissatisfaction with the prices and other terms included in the contracts. Consequently, few export permits have been authorized. Difficulties are expected to be encountered in clearing contracts for export shipments to private concerns in the coming season. Accordingly, exports are expected to be limited, unless Germany decides to request a substantial portion of the crop.

No stocks of the 1940 crop are reported to be in the hands of any Government agency, and only small quantities in the hands of dealers. It was estimated in May that about 20 percent of the crop was in the hands of growers. In the subsequent months, with higher prices, some growers sold. Many speculators entered the market. A number of growers, however, did not sell because they preferred at that time to retain their stocks rather than increase their currency holdings. Consequently, no reliable estimate of the stocks unsold in the hands of growers is available.

The confusion in the filbert market, which had prevailed in recent months, largely disappeared when the Ministry of Industry and Commerce issued an order on May 1, 1941, freeing domestic prices, distribution, and transportation from control. Immediately following this order, prices rose sharply; since then, the market has become stabilized, and a slightly downward tendency has been apparent recently.

Normally, Spain consumes no more than 10 or 15 percent of the filbert crop, but consumption has increased sharply in the last few years because of the shortage of other foodstuffs. Large quantities of filberts are roasted or converted into meal. Recently, a marked increase in the production of edible filbert oil to be used as a substitute for, or mixed with, olive oil, and filbert meal and flour as a substitute for wheat flour has been apparent. For example, one large firm has at least 5 mills in Reus extracting filbert oil. This firm is using olive-oil-pressing machinery for extracting the oil and is reported to be using at least 3 tons of filberts daily in the production of oil and meal. It has been estimated that at least 100 tons of filberts are being processed in the Barcelona district monthly, and the trend of this utilization appears to be upward.

Edible filbert oil is not under Government price or distribution control. It is about 3 times as expensive as olive oil, but, since olive oil is strictly rationed, a ready market for filbert oil prevails despite the high price. Filbert and almond meal and flour are reported to be widely used, especially for cakes and pastries. The 1941 supplies of olive oil and cereals available to consumers in Spain will, therefore, affect the disposition of the coming filbert crop. The heavier olive oil production, which is now in prospect, however, may not necessarily result in increased consumer rations. If the rations are not increased, the upward trend in the utilization of filberts for oil purposes may continue into the 1941 season.

UNITED STATES: Imports of filberts by principal countries,
average 1933-34 to 1937-38, annual 1938-39 to 1940-41

Year (September to August)	Italy	Spain	Turkey	Others	Total
	Short tons	Short tons	Short tons	Short tons	Short tons
<u>SHELLED</u>					
Average:					
1933-34 to					
1937-38	245	203	546	60	1,054
1938-39	133	20	653	7	813
1939-40	259	79	990	30	1,358
1940-41 a/	39	78	423	7	547
<u>UNSHELLED</u>					
Average:					
1933-34 to					
1937-38	1,226	177	22	11	1,436
1938-39	333	0	0	0	333
1939-40	753	0	0	0	753
1940-41 a/	34	0	0	0	34

Compiled from official records, Bureau of Foreign and Domestic Commerce.
a/ 11 months only.

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L I V E S T O C K A N D A N I M A L P R O D U C T S

CANADIAN CATTLE MARKETINGS
TO BE HEAVY THIS FALL . . .

Canadian marketings of beef cattle for slaughter are expected to be exceptionally heavy this fall, according to a report to the Office of Foreign Agricultural Relations from agricultural attaché C. C. Taylor. It is believed, however, that ranchers in some areas of the Western Provinces may have delayed marketing somewhat to take advantage of the excellent grazing this summer and that some may retain a larger-than-usual proportion of the young stock due to the favorable price outlook.

Not only is the movement of cattle to market in Canada expected to show an increase above a year ago but a large movement of heavy low-duty cattle to the United States may be expected during October. Increased industrial activity, both in Canada and the United States, accompanied by greater consumer demand for beef, has resulted in higher cattle prices. Governmental restrictions on pork consumption in Canada in order to conserve supplies of bacon for the United Kingdom have caused some increase in beef consumption. Inspected slaughterings of cattle in June, July, and August 1941 were about 20 percent higher than in the corresponding 3 months of August of the past 3 years. Similarly inspected slaughter of calves has increased 7 percent.

Exports of cattle to the United States have already been larger than a year ago, but not so large as 2 years ago. It is not believed that the annual quota of 193,950 head granted that country by the United States for heavy cattle to be entered at the reduced rate of duty will be filled, as the number entered in the first half of the year was less than 50 percent of the quota. Nevertheless the quota for the September quarter has about been filled as has the annual quota for calves.

Consumer demand for beef in Canada increased materially in the year ended May 31, and only a moderate increase in cattle numbers is expected as of July 1, 1941, above the 8,565,000 head reported for June 1, 1940. In June 1940 an increase of 1 percent was noted, and a 1-percent increase was shown in the December 1940 estimate above the same date of 1939. Numbers have increased about 3 percent above the low point reached in 1937 and 1938.

Marketings during the 12-month period ended May 31, 1941, were 6 percent larger than in the preceding 12 months and amounted to 1,220,000 cattle and 806,000 calves shipped through stock yards, direct to packing plants or direct for export. Farms and local slaughter accounted for an additional 300,000 cattle and 500,000 calves. A large part of the increased movement to market, however, represented stocker and feeder steers.

CANADA: Cattle and calves marketed, 1938-39 to 1940-41,
June-July, 1940, 1941

Classification	June-May			June-July	
	1938-39	1939-40	1940-41	1940	1941
Cattle -	1,000	1,000	1,000	1,000	1,000
	head	head	head	head	head
Cows	321	322	327	45.9	50.8
Heifers	191	175	190	25.2	25.8
Fed calves	67	95	98	18.6	21.9
Steers, light	167	173	185	26.2	34.7
Steers, heavy	93	93	89	12.9	21.8
Bulls	50	56	60	11.7	14.8
Steers, stockers and feeders	108	104	143	21.9	16.7
Stock cows and heifers	20	21	29	7.4	3.2
Milkers and springers	8	9	11	1.5	1.9
Unclassified	14	7	17	2.1	.5
Direct export	98	94	71	9.0	17.2
Total cattle	1,137	1,149	1,220	182.4	209.3
Calves -					
Veal	687	675	680	168.4	166.6
Grass	73	95	117	15.3	15.4
Direct export	12	10	9	1.8	3.3
Total calves	772	780	806	185.5	185.3

Commercial Livestock Output Report, Dominion Department of Agriculture.

Statistics showing the percentage of the total number represented by the different classes of cattle on Canadian farms as of June 1 for a 6-year period, 1935-1940, bring out the predominance of dairy cows, which form about 45 percent of the total number of cattle and calves in Canada, while yearling heifers reserved for milk constitute another 10 to 11 percent. Generally dairy cows predominate to the greatest extent in Quebec, Ontario, and Maritime Provinces. Steers, beef cows, and yearling beef heifers represent a larger proportion of the total in the Western Provinces. Calves at the beginning of June represented about 20 percent in the dairy Provinces and around 25 percent in the beef Provinces. Until details of the June 1, 1941, estimate of cattle numbers are available, it is not possible to state whether much progress was made in building up herds in 1940-41 in Canada as a whole.

The price of good-grade steers up to 1,050 pounds at Toronto was \$8.13 (United States currency) per 100 pounds during the week ended September 18, compared with the September average of \$7.69 in 1940, \$6.66 in 1939, and \$5.66 in 1938. Steers over 1,050 pounds have risen to \$8.34. Stocker and feeder steers of good grade at \$7.31 are remarkably close to the prices of slaughter steers. Prices at Calgary have increased even more, so that the movement to eastern Canada is smaller than usual.

BRAZILIAN EXPORTS OF HIDES AND SKINS TO UNITED STATES INCREASE SHARPLY . . .

Exports of Brazilian hides and skins to the United States have shown a sharp increase during the first 6 months of 1941 as compared with the same period of 1940, according to recent reports received in the Office of Foreign Agricultural Relations. This increase is a continuation of the rise in United States imports of Brazilian hides and skins since the outbreak of the present European war.

Although no official export figures for all Brazil more recent than April 1941 are available, United States import figures list total imports of hides and skins from Brazil at 27,668,000 pounds during the first half of 1941 as compared with 18,837,000 during the same 6-month period of 1940, an increase of 47 percent. The greatest increase has been in wet-salted cattle hides, which also constitute by far the greatest single item in total poundage, although a much greater number of goat- and kidskins is imported. Brazil produces one of the world's finest-quality goatskins, which demands a high price on the world market due to its universally recognized superiority in the manufacture of kid leather. The United States imports practically all of the Brazilian output of goatskins.

UNITED STATES: Imports of hides and skins from Brazil, January-June, 1940 and 1941 . . .

Classification	January-June			
	1940		1941	
	Quantity	Weight	Quantity	Weight
		1,000		1,000
	Pieces	pounds	Pieces	pounds
Cattle hides, dry	3,725	71	18,999	394
Cattle hides, wet	265,771	14,361	429,544	22,243
Kipskins, dry	452	4	1,000	10
Kipskins, wet	4,000	71	10,298	196
Calfskins, dry	-	-	2,000	32
Sheep- and lamb-skins, dry, green, and woolled	516,313	657	821,812	1,163
Sheep and lamb slats, dry	212,340	306	160,586	219
Goat- and kid-skins	2,346,125	2,934	2,416,972	2,967
Deer- and elkskins	136,149	433	144,000	444
Reptile skins	233,073	a/	474,676	b/ 129
Other skins	433,352	a/	482,990	a/
Total	4,151,300	18,837	4,962,877	c/ 27,668

Compiled from official records, Bureau of Foreign and Domestic Commerce.

a/ Not listed. b/ Not included in total. c/ Does not include reptile skins in pounds.

Brazil ranks second only to Argentina in South American trade in hides and skins. As in Argentina, the livestock industry was created

and developed by trade in hides and skins, which have always played rather an important role in Brazil's foreign commerce. A century ago exports of hides and skins constituted about 14 percent of the total export trade, but with the development of the meat and other industries this figure had diminished to 4 percent in 1939. Since 1830, however, the actual quantity of hide and skin sales has increased about seven times despite the lowered percentage.

As far back as 1920 the United States was the principal market for Brazilian hides and skins, with Uruguay ranking second and Great Britain third. In 1921, however, this condition was considerably changed, and since that year Germany has been the principal market. The trade was of course changed with the outbreak of the present war in 1939, and the United States has again become the principal purchaser, with Great Britain also buying sizable quantities.

The State of Rio Grande do Sul is the most important producer of hides and skins in Brazil, from an economic standpoint, because of the comparative freedom from tropical diseases and parasites it enjoys due to its more moderate climate. Parasites and diseases, which are prevalent in the major livestock States of central Brazil, cause a lowering in quality of the hides and skins, especially in cattle and sheep. Rio Grande do Sul is the leading state of Brazil in the production of sheepskins and cattle hides, while most of the goatskins are produced in the more northern states, notably Bahia.

BRAZIL: Total exports of hides and skins,
1938-1940, and January-April 1941

Month	1938	1939	1940	1941
	1,000 pounds	1,000 pounds	1,000 pounds	1,000 pounds
January	9,962	6,878	8,263	11,709
February	7,480	6,305	10,013	
March	7,890	11,047	9,361	4,114
April	9,288	9,094	14,339	14,200
May	13,011	13,419	9,504	-
June	11,202	17,538	17,251	-
July	11,982	10,128	7,046	-
August	12,337	16,131	6,012	-
September	10,794	4,927	9,639	-
October	12,011	10,802	8,086	-
November	10,236	8,635	5,348	-
December	8,746	9,590	8,492	-
Total	124,939	124,496	113,354	30,019

Revista Brasileira De Estatística, and the Brazil Trade Journal.

Index

	Page ::		Page
Late cables	408	Jute, continued:	
- - - - -		Imports, Brazil, 1938-1940	422
Barley:		Substitute fibers, experiments,	
Area, Spain, 1931-1935, 1939-1941	411	Brazil, 1941	419
Production, Spain,		Oats:	
1931-1935, 1939-1941	411	Area, Spain, 1931-1935, 1939-1941	411
Cashew nuts:		Production, Spain,	
Export value, India, August 1941	408	1931-1935, 1939-1941	411
Exports to U.S., India,		Olive oil, production, Spain,	
August 1941	408	1929-1941	426, 427
Castor beans, exports, Bahia, Brazil,		Potatoes:	
1938-1940, Jan.-June 1941	414	Area, Argentina, 1940-41	426
Cattle:		Production, Argentina, 1940-41 ..	426
Market situation, Canada,		Rice:	
September 1941	430	Area, Spain, 1931-1935, 1939, 1940	411
Marketings, Canada,		Exports, U.S., 1926-27 to 1940-41 ..	413
June 1938-July 1941	431	Production:	
Prices, Canada, Sept. 18, 1941 ..	431	China, 1940, 1941	408
Corn:		Japan, 1940, 1941	408
Area, Spain, 1931-1935, 1939-1941 ..	411	Spain, 1931-1935, 1939-1941 ..	411
Production, Spain,		Rye:	
1931-1935, 1939-1941	411	Area:	
Cotton:		Spain, 1931-1935, 1939-1941 ..	411
Imports:		Sweden, 1935-1941	412
Canada, 1938-39 to 1940-41 ...	418	Prices (fixed), Sweden, 1941 ...	412
Mill activity:		Production:	
Canada, August 1941	416	Spain, 1931-1935, 1939-1941 ..	411
Portugal, June 1941	415	Sweden, 1935-1941	412
Mill statistics, Canada,		Tobacco:	
February 1940-July 1941	417	Production, Canada, 1941	424
Prices, Portugal, June 30, 1941 ..	416	Supply situation:	
Filberts:		Canada, 1941	424
Imports, U.S., 1933-34 to		Switzerland, 1941	425
1940-41	429	Wheat:	
Production, Spain, 1929-1941 ..	427, 428	Area:	
Flax (linen), production, experiments		Spain, 1931-1935, 1939-1941 ...	411
New Zealand, 1939-40, 1940-41 ...	423	Sweden, 1935-1941	412
Hides and skins:		Exports, U.S., 1939-40, 1940-41 ..	409
Exports, Brazil,		Import quota (Canadian), filled,	
January 1938-April 1941	433	U.S., Sept. 20, 1941	409
Imports (from Brazil), U.S.,		Prices (fixed), Sweden, 1941 ...	412
January-June, 1940, 1941	432	Production:	
Jute:		Italy, 1940, 1941	408
Area, India, 1940, 1941	419	Spain, 1931-1935, 1939-1941 ..	410, 411
Acreage reduction, India, 1941 ..	418	Sweden, 1935-1941	411, 412

